Post office saving schemes

1105. SHRIMATI SHOBHANA BHARTIA: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether his Ministry has urged the Finance Ministry to raise interest rates on post office saving schemes to make them more attractive investment instruments;

(b) if so, the facts and details thereof;

(c) whether due to the poor interest rates on post office saving schemes, the investors are withdrawing their money and investing in banks etc.; and

(d) if so, the steps Government propose to take to make post office saving schemes more attractive and safe?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) and (b) Yes Sir. The matter was taken up by Department of Posts with Ministry of Finance on 17.11.2006, 27.6.2007 and 9.5.2008.

(c) and (d) The gross small savings collections during 2006-07 at Rs. 1,82,181 crore declined to Rs. 1,40,433 crore during 2007-08 (Provisional). The decline in gross collections under various small savings schemes reflects, *inter-alia*, investor's preference for alternative savings instruments. However, gross small savings collections during 2008-09 (April-October 2008) have registered an increase by 5.85 per cent as compared to the previous year's collections during the same period.

While the interest rates on Small Savings Schemes which are administered rates have remained unchanged since 1st March 2003, Government in the recent past, has taken the following steps to make the small savings schemes more attractive and investor friendly :-

(i) The restriction on opening of more than one account during a calendar month under the Senior Citizens Savings Scheme has been removed with effect from 24th July 2007.

(ii) All categories of pensioners have been allowed to open and maintain 'Pension Account' under Post Office Savings Accounts Rules, with effect from 11th July 2007.

(iii) The penalty on pre-mature withdrawal of deposits under the Post Office Monthly Income Account (POMIA) scheme has been rationalized from 3.5% to 2% on withdrawal on or before expiry of three years and 1% on withdrawal after expiry of three years.

(iv) The maximum deposit ceilings of Rs. 3.00 lakh and Rs. 6.00 lakh under the Post Office Monthly Income Account (POMIA) Scheme has been raised to Rs. 4.50 lakh and Rs. 9.00 lakh in respect of single and joint accounts respectively.

(v) Bonus at the rate of 5% on the deposits made under Post Office Monthly Income Account (POMIA) Scheme on or after 8th December 2007 upon the maturity of the deposit has been reintroduced.

(vi) The benefit of Section 80C of the Income Tax Act, 1961 has been extended to the investments made under 5-Year Post Office Time Deposits Accounts and Senior Citizens Savings Scheme, with effect from 01.04.2007.

Local calls from Delhi

1106. SHRIMATI JAYA BACHCHAN: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether it is a fact that calls made from Delhi to NCR towns and *vice versa* are still not treated as local calls and do not materialize without a STD code particularly to places like Palwal, Sonepat, Meerut, Alwar, Gurgaon etc.;

(b) if so, the reasons thereof;

(c) whether it is a fact that the city code does not enable many land line and mobile phones to access these cities due to poor technology or other reasons;

(d) whether this defeats the concept of NCR; and

(e) whether Government proposes to address the matter?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) and (b) Yes, Sir. The calls made from MTNL Delhi network to NCR towns and *vice-versa* are materialized by dialing 95 followed by city code and subscriber number as these places are not part Delhi short Distance Charging Area (SDCA). This facility is available to all subscribers irrespective of whether they are having STD facility or not.

(c) No, Sir.

(d) and (e) Does not arise in view of (c) above.

Slow growth of BSNL

1107. SHRI VIJAY JAWAHARLAL DARDA:
SHRIMATI SHOBHANA BHARTIA:

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether Government has expressed concern over the slow growth of BSNL;

(b) if so, whether the factors have been identified for slow growth of BSNL;

(c) if so, whether the important decision taken by the Department of Telecom are not implemented by BSNL timely;